

CAPITAL REGION PLANNING COMMISSION,
A COMPONENT UNIT OF THE CITY
OF BATON ROUGE/PARISH OF EAST BATON ROUGE

COMPONENT UNIT FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2008

BATON ROUGE, LOUISIANA

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/21/09

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November 24, 2008

Independent Auditor's Report

The Commissioners of the
Capital Region Planning Commission
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major program fund, and the aggregate remaining fund information of the Capital Region Planning Commission (the Commission), Baton Rouge, Louisiana, a component unit of the City of Baton Rouge/Parish of East Baton Rouge, as of and for the year ended June 30, 2008, which collectively comprise the Commission's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Commission, as of June 30, 2008, and the respective changes in the financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 24, 2008, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants

agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis on pages 3 through 6, is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying Schedule of Indirect Cost Allocation Plan is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A -133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Commission. The Schedule of Indirect Cost Allocation Plan and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

Hannis T. Bourgeois, LLP

CAPITAL REGION PLANNING COMMISSION MANAGEMENT'S DISCUSSION AND ANALYSIS

The management's discussion and analysis of the Capital Region Planning commission's financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended June 30, 2008. This document focuses on the current year's activities, resulting changes, and currently know facts.

FINANCIAL HIGHLIGHTS

- The Commission's assets exceeded its liabilities at the close of the fiscal year 2008 by \$555,102, compared with \$633,727 last fiscal year.
- The net assets decreased by \$78,625, as opposed to a decrease of \$104,861 last fiscal year;
- Operating grants decreased by \$69,818 compared to the 2007 fiscal year;
- Total Commission expenses (net of indirect cost) decreased by \$ 57,363 or 5.8% in the relation to last fiscal year;
- Total Commission revenues decreased by \$ 31,127 or 3.5% in the relation to last fiscal year;

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis is intended to serve as an introduction to the Capital Region Planning Commission's basic financial statements. The Commission's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. Under the new reporting model, the basic financial statements of the Commission will be less complex and present financial information for the Commission as a whole, in a format designed to make the statements easier for the reader to understand. The annual financial report includes the Statement of Net Assets; the Statement of Net Activities; Balance Sheet of Governmental type funds; Notes to the Financial Statements. In addition to the basic financial statements and the accompanying notes, other information in this report presents certain supplementary information concerning indirect cost allocation proposal, and Single Audit reports.

Government-Wide Financial Statements

The government-wide financial statements present information for the Capital Region Planning Commission as a whole, in a format designed to make the statements easier for the reader to understand. This broad overview of the Commission's finances is done in a manner similar to private-sector business. The statements of this section include the Statements of Net assets; the Statement of Activities.

Statement of Net Assets - presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Capital Region Planning commission is improving or deteriorating.

Statement of Activities - presents information showing how the Commission's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

CAPITAL REGION PLANNING COMMISSION MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governmental entities, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds - are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of expendable resources at the end of the fiscal year. Such information may be useful in evaluating the Commission's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Commission's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provides a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains five individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Transportation Planning, Transit Planning, Air Quality, and the Economic Development Program, all of which are considered to be major funds.

The Commission adopts an annual appropriated budget for the entity as a whole. Budgetary comparison statements have been provided to demonstrate performance of actual results with budgeted amounts.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Commission. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Commission's own programs. The Commission maintains one fiduciary fund which constitutes an employee retirement account.

FINANCIAL ANALYSIS OF THE COMMISSION

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Capital Region Planning Commission, assets exceed liabilities by \$555,102 at the close of the recent fiscal year which provides the Commission with a "healthy" net asset amount.

CAPITAL REGION PLANNING COMMISSION MANAGEMENT'S DISCUSSION AND ANALYSIS

The Capital Region Planning Commission's Net Assets

Governmental Activities	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Assets:		
Current and Other Assets	\$ 715,390	\$ 821,063
Capital Assets	<u>27,371</u>	<u>22,141</u>
Total Assets	<u>742,761</u>	<u>843,204</u>
Liabilities:		
Current Liabilities	16,567	93,222
Long-Term Liabilities	<u>171,092</u>	<u>116,255</u>
Total Liabilities	<u>187,659</u>	<u>209,477</u>
Total Net Assets	<u>\$ 555,102</u>	<u>\$ 633,727</u>

The composite net assets amount of \$555,102 as of June 30, 2008 consists of investments in capital assets, and unrestricted net assets in the amounts of \$27,371 and \$ 527,731 respectively. As of June 30, 2007, the composite net assets of \$633,727 consisted of investment in capital assets of \$22,141 and unrestricted net assets of \$611,586.

Unrestricted net assets are those that do not have any limitations for what these amounts may be used. As referred to previously, net assets of the Commission decreased by \$78,625 or 12.4%, from June 30, 2007 to June 30, 2008

The Capital Region Planning Commission's Change in Net Assets

Governmental Activities	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Revenues:		
Program Revenue:		
Operating Grants	\$ 631,373	\$ 701,191
General Revenue:		
Dues	92,435	98,338
In Kind	53,000	53,000
Investment and Other	<u>84,717</u>	<u>40,123</u>
Total Revenues	<u>861,525</u>	<u>892,652</u>
Expenses:		
Program Expense	390,338	432,309
Administration Expense	<u>549,812</u>	<u>565,204</u>
Total Expenses	<u>940,150</u>	<u>997,513</u>
Increase (Decrease) in Net Assets	<u>\$ (78,625)</u>	<u>\$ (104,861)</u>

**CAPITAL REGION PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Revenues by Source - Governmental Activities

The Commission's total revenues decreased \$31,127 compared to the 2007 fiscal year. The total cost of all programs and services decreased by \$57,363 as compared with last year.

Capital Assets

At the end of the fiscal year 2008 the Commission had \$ 27,371 invested in a broad range of capital assets, net of accumulated depreciation. This amount represents a net increase of just \$ 5,230 over last year.

Governmental Activities	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Furniture and Equipment	\$ 181,786	\$ 164,517
Vehicles	32,110	32,110
Accumulated Depreciation	<u>(186,525)</u>	<u>(174,486)</u>
Totals	<u>\$ 27,371</u>	<u>\$ 22,141</u>

BUDGET

The annual budget is proposed by the executive director on an organizational-wide basis, and formally adopted by the Board of Commissioners. The budget may be amended during the year at the Commission's discretion.

CONTACTING THE COMMISSION FINANCIAL MANAGEMENT

This financial report is designed to provide granting agencies, citizens, and oversight bodies with a general overview of the Capital Region Planning Commission's finances.

If you have any questions about this report, contact the Executive Director, Capital Region Planning Commission, Post Office Box 3355, Baton Rouge, Louisiana 70821-3355.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CAPITAL REGION PLANNING COMMISSION

**STATEMENT OF NET ASSETS -
GOVERNMENTAL ACTIVITIES**

AS OF JUNE 30, 2008

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 87,242
Investments	429,980
Grant Funds Receivable	185,286
Other Receivables	<u>12,882</u>
Total Current Assets	715,390

Non-Current Assets:

Capital Assets, Net of Accumulated Depreciation	<u>27,371</u>
Total Non-Current Assets	<u>27,371</u>
Total Assets	742,761

LIABILITIES

Current Liabilities:

Accounts Payable	12,520
Deferred Revenue	<u>4,047</u>
Total Current Liabilities	16,567

Non-Current Liabilities:

Accrued Compensated Absences Payable	52,416
Accrued OPEB Expense	<u>118,676</u>
Total Non-Current Liabilities	<u>171,092</u>
Total Liabilities	187,659

NET ASSETS

Invested in Capital Assets, Net of Related Debt	27,371
Unrestricted	<u>527,731</u>
Total Net Assets	<u>\$ 555,102</u>

The accompanying notes are an integral part of this statement.

CAPITAL REGION PLANNING COMMISSION
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Total</u>	<u>Administration</u>	<u>Project Studies and Planning</u>
Expenses:			
Auto Insurance	\$ 3,121	\$ 3,121	\$ -
Consultant Fees	69,078	38,141	30,937
Deferred Compensation	59,674	59,674	-
Dues and Subscription	4,937	2,566	2,371
Depreciation	14,373	14,373	-
Equipment Facilities Maintenance	4,647	4,647	-
Equipment Rental	839	839	-
General Insurance	1,799	1,799	-
Group Insurance	82,674	82,674	-
Legal and Accounting	19,995	19,995	-
Miscellaneous	8,664	7,157	1,507
OPEB Expense	63,711	63,711	-
Office Supplies	6,995	4,919	2,076
Payroll Taxes	5,509	5,509	-
Postage	2,108	2,039	69
Professional Education	4,851	2,511	2,340
Publishing	3,862	3,109	753
Rent - Inkind	53,000	53,000	-
Salaries	498,669	156,315	342,354
Telephone	7,837	7,837	-
Travel and Auto Allowance	20,801	12,870	7,931
Vehicle Expense	3,006	3,006	-
Total Expenses	940,150	549,812	390,338
Indirect Expenses Allocation	-	(389,941)	389,941
Total Expenses net of Indirect Cost	940,150	159,871	780,279
Program Revenues:			
Operating Grants	631,373	-	631,373
Net Program Expense (Revenue)	308,777	159,871	148,906
General Revenues:			
Dues Assessment	92,435		
Inkind Revenue	53,000		
Investment Income	25,539		
Special Planning Projects	46,600		
Other Revenue	12,578		
Total General Revenues	230,152		
Change in Net Assets	(78,625)		
Net Assets - Beginning of Year	633,727		
Net Assets - End of Year	\$ 555,102		

The accompanying notes are an integral part of this statement.

FUND-WIDE FINANCIAL STATEMENTS

CAPITAL REGION PLANNING COMMISSION

BALANCE SHEET - GOVERNMENTAL FUNDS

AS OF JUNE 30, 2008

	<u>General Fund</u>	<u>Transport Planning</u>	<u>Transit Planning</u>	<u>Air Quality</u>
Assets:				
Cash and Cash Equivalents	\$ 87,242	\$ -	\$ -	\$ -
Investments	429,980	-	-	-
Grant Funds Receivable	-	81,117	93,406	10,763
Interfund Receivables	185,286	-	-	-
Other Receivables	12,882	-	-	-
Total Assets	<u>\$ 715,390</u>	<u>\$ 81,117</u>	<u>\$ 93,406</u>	<u>\$ 10,763</u>
Liabilities:				
Accounts Payable	\$ 12,520	\$ -	\$ -	\$ -
Interfund Payables	4,047	81,117	93,406	10,763
Deferred Revenues	-	-	-	-
Total Liabilities	<u>16,567</u>	<u>81,117</u>	<u>93,406</u>	<u>10,763</u>
Fund Balances:				
Unreserved, Undesignated Reported in:				
General Fund	698,823	-	-	-
Special Revenue Funds	-	-	-	-
Total Fund Balances	<u>698,823</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 715,390</u>	<u>\$ 81,117</u>	<u>\$ 93,406</u>	<u>\$ 10,763</u>

The accompanying notes are an integral part of this statement.

<u>Economic Development</u>	<u>Total Governmental Funds</u>
\$ -	\$ 87,242
-	429,980
-	185,286
4,047	189,333
-	12,882
<u>\$ 4,047</u>	<u>\$ 904,723</u>

\$ -	\$ 12,520
-	189,333
<u>4,047</u>	<u>4,047</u>
4,047	205,900

-	698,823
<u>-</u>	<u>-</u>
-	698,823
<u>\$ 4,047</u>	<u>\$ 904,723</u>

CAPITAL REGION PLANNING COMMISSION

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2008

Total Fund Balances - Governmental Funds \$ 698,823

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expense in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the Commission as a whole. The costs of those assets allocated over their estimated useful lives (as depreciation expense) is reported in the Statement of Activities. Because depreciation does not effect financial resources, it is not reported in governmental funds.

Cost of Capital Assets	\$ 213,896	
Accumulated Depreciation	<u>(186,525)</u>	
		27,371
Elimination of Interfund Assets and Liabilities		

Interfund Assets	189,333	
Interfund Liabilities	<u>(189,333)</u>	
		-

Long-term liabilities applicable to the Commission's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities both current and long-term are reported in the Statement of Net Assets.

Accrued Compensated Absences	(52,416)	
Accrued OPEB Expense	<u>(118,676)</u>	
		(171,092)
Net Assets - Governmental Activities		<u>\$ 555,102</u>

The accompanying notes are an integral part of this statement.

CAPITAL REGION PLANNING COMMISSION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

	General Fund	Transport Planning	Transit Planning	Air Quality
Revenues:				
Federal Funding	\$ -	\$ 333,224	\$ 218,133	\$ 36,165
Local Funding:				
Dues Assessment	92,435	-	-	-
Outside Agency Local Match	4,936	-	-	-
Special Planning Projects	46,600	-	-	-
Inkind Revenue	53,000	-	-	-
Investment Income	25,539	-	-	-
Other Income	7,642	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	230,152	333,224	218,133	36,165
Expenditures:				
Current:				
Auto Insurance	\$ 3,121	-	-	-
Consultant Fees	38,141	30,937	-	-
Deferred Compensation	59,674	-	-	-
Dues and Subscriptions	2,566	1,488	283	-
Equipment and Facilities Maintenance	4,647	-	-	-
Equipment Rental	839	-	-	-
General Insurance	1,799	-	-	-
Group Insurance	82,674	-	-	-
Legal and Accounting	19,995	-	-	-
Miscellaneous	7,157	1,400	71	-
OPEB Expense	4,900	-	-	-
Office Supplies	4,919	2,076	-	-
Payroll Taxes	5,509	-	-	-
Postage	2,039	-	-	-
Professional Education	2,511	780	400	-
Publishing	3,109	672	48	33
Rent - Inkind	53,000	-	-	-
Salaries	160,289	174,252	127,074	16,892
Telephone	7,837	-	-	-
Travel and Auto Allowance	12,870	6,452	53	-
Vehicle Expenses	3,006	-	-	-
Capital Outlay	16,940	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	497,542	218,057	127,929	16,925

(CONTINUED)

<u>Economic Development</u>	<u>Total Governmental Funds</u>
\$ 43,851	\$ 631,373
-	92,435
-	4,936
-	46,600
-	53,000
-	25,539
-	7,642
<u>43,851</u>	<u>861,525</u>
-	3,121
-	69,078
-	59,674
600	4,937
-	4,647
-	839
-	1,799
-	82,674
-	19,995
36	8,664
-	4,900
-	6,995
-	5,509
69	2,108
1,160	4,851
-	3,862
-	53,000
24,136	502,643
-	7,837
1,426	20,801
-	3,006
<u>2,663</u>	<u>19,603</u>
30,090	890,543

	<u>General Fund</u>	<u>Transport Planning</u>	<u>Transit Planning</u>	<u>Air Quality</u>
Indirect Cost Allocations	<u>(389,941)</u>	<u>198,473</u>	<u>144,737</u>	<u>19,240</u>
Total Expenditures Net of Indirect Cost Allocations	<u>107,601</u>	<u>416,530</u>	<u>272,666</u>	<u>36,165</u>
Excess (Deficiency) of Revenues over Expenditures	122,551	(83,306)	(54,533)	-
Other Financing Sources (Uses):				
Transfers In	-	83,306	54,533	-
Transfers (Out)	<u>(151,569)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Other Financing Sources (Uses)	<u>(151,569)</u>	<u>83,306</u>	<u>54,533</u>	<u>-</u>
Net Change in Fund Balances	(29,018)	-	-	-
Fund Balances, Beginning of Year	<u>727,841</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 698,823</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

<u>Economic Development</u>	<u>Total Governmental Funds</u>
<u>27,491</u>	<u>-</u>
<u>57,581</u>	<u>890,543</u>
(13,730)	(29,018)
13,730	151,569
<u>-</u>	<u>(151,569)</u>
<u>13,730</u>	<u>-</u>
-	(29,018)
<u>-</u>	<u>727,841</u>
<u>\$ -</u>	<u>\$ 698,823</u>

CAPITAL REGION PLANNING COMMISSION

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2008

Total Net Changes in Fund Balances - Governmental Funds \$ (29,018)

Capital outlays are reported in governmental funds as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimates useful lives as depreciation expense. The amount by which capital outlays exceed depreciation is described as follows:

Capital outlays which were capitalized	19,603	
Depreciation expense	<u>(14,373)</u>	5,230

Elimination of interfund transactions:

Transfers in	151,569	
Transfers out	<u>(151,569)</u>	-

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds:

Decrease in Compensated Absences	3,974	
Increase in OPEB Expense	<u>(58,811)</u>	(54,837)
Change in Net Assets of Governmental Activities		<u>\$ (78,625)</u>

The accompanying notes are an integral part of this statement.

CAPITAL REGION PLANNING COMMISSION

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

AS OF JUNE 30, 2008

ASSETS

Investments	<u>\$ 1,272,226</u>
Total Assets	<u><u>\$ 1,272,226</u></u>

LIABILITIES

Total Liabilities	<u>-</u>
Net Assets Held in Trust for Deferred Compensation	<u><u>\$ 1,272,226</u></u>

The accompanying notes are an integral part of this statement.

CAPITAL REGION PLANNING COMMISSION

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

AS OF JUNE 30, 2008

Additions:

Contributions:

Employer	\$ 56,543
Plan Members	<u>3,898</u>

Total Contributions 60,441

Investment Income (Loss) (Net of Expenses) (63,128)

Total Additions (2,687)

Deductions:

Benefits 12,032

Total Deductions 12,032

Change in Net Assets (14,719)

Net Assets Held in Trust for Deferred Compensation:

Beginning of Year 1,286,945

End of Year \$ 1,272,226

The accompanying notes are an integral part of this statement.

CAPITAL REGION PLANNING COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

	Original and Final Budget	Actual Amounts	Variance
Revenues:			
Federal Funding	\$1,570,373	\$ 631,373	\$ (939,000)
State Funding	30,000	-	(30,000)
Local Funding:			
Dues Assessment	98,338	92,435	(5,903)
Outside Agency Local Match	22,000	4,936	(17,064)
Special Planning Projects	4,000	46,600	42,600
Inkind Revenue	48,000	53,000	5,000
Investment Income	15,000	25,539	10,539
Other Income	-	7,642	7,642
Total Revenues	1,787,711	861,525	(926,186)
Expenditures:			
Current:			
Auto Insurance	5,000	3,121	1,879
Consultant Fees	495,000	69,078	425,922
Contingency	12,000	-	12,000
Deferred Compensation	76,000	59,674	16,326
Dues and Subscriptions	5,000	4,937	63
Equipment and Facilities Maintenance	25,000	4,647	20,353
Equipment Rental	2,000	839	1,161
General Insurance	10,000	1,799	8,201
Group Insurance	125,000	82,674	42,326
Legal and Accounting	27,000	19,995	7,005
Miscellaneous	15,000	8,664	6,336
OPEB Expense	-	4,900	(4,900)
Office Supplies	12,000	6,995	5,005
Payroll Taxes	8,000	5,509	2,491
Postage	2,500	2,108	392
Professional Education	12,000	4,851	7,149
Publishing	5,000	3,862	1,138
Rent - Inkind	48,000	53,000	(5,000)
Salaries	787,410	502,643	284,767
Telephone	15,000	7,837	7,163

(CONTINUED)

	Original and Final Budget	Actual Amounts	Variance
Travel and Auto Allowance	25,000	20,801	4,199
Vehicle Expenses	8,000	3,006	4,994
Capital Outlay	45,000	19,603	25,397
Total Expenditures	1,764,910	890,543	874,367
Indirect Cost Allocations	-	-	-
Total Expenditures Net of Including Indirect Cost Allocations	1,764,910	890,543	874,367
Excess (Deficiency) of Revenues over Expenditures	22,801	(29,018)	(51,819)
Other Financing Sources (Uses):			
Transfers In	-	151,569	(151,569)
Transfers (Out)	-	(151,569)	151,569
Net Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	22,801	(29,018)	(51,819)
Fund Balances, Beginning of Year	727,841	727,841	-
Fund Balances, End of Year	\$ 750,642	\$ 698,823	\$ (51,819)

The accompanying notes are an integral part of this statement.

CAPITAL REGION PLANNING COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2008

Note 1 - Summary of Significant Accounting Policies -

Basis of Presentation

The accounting and reporting policies of the Commission conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit Guide, Audits of State and Local Governmental Units.

The financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government (board), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Governmental Accounting Standards Board (GASB) issued Statement No.39, determining whether certain organizations are component units, amends GASB 14 to provide additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. Generally, it requires reporting, as a component unit, an organization that raises and hold economic resources for the direct benefit of a governmental unit and is effective for periods beginning after June 15, 2003.

Organizations that are legally separate, tax-exempt entities and that meet all of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Based on the application of the above criteria, it was determined the Capital Region Planning Commission has no potential component units. As a result, this report includes all funds and account groups which are controlled by or dependent on the Commission or Board of Commissioners. Control by or dependence on the Commission was determined on the basis of budget adoption, and other general oversight responsibility.

The Commission is a component unit of the City of Baton Rouge\Parish of East Baton Rouge. The Commission does not act as an oversight unit for any component units.

Fund Accounting

The District uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements as described as follows:

Governmental Fund Types

Governmental funds account for the Commission's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the Commission include:

1. General Fund - the general operating fund of the Commission and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. These funds account for the revenues and expenditures related to federal, state and local grant programs established for various objectives.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the Commission in a trustee capacity. The Commission maintains one fiduciary fund type, pension trust fund. The Trust Fund is used to report fiduciary resources held in trust and the receipt, investment and distribution of retirement contributions.

Measurement Focus/Basis of Accounting

Basic Financial Statements - Government-Wide Financial Statement (GWFS)

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or

exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Basic Financial Statements - Fund Financial Statements (FFS)

Fund financial statements report detailed information about the Commission. The focus of governmental financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated & presented in a single column.

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues, and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Pension trust funds recognize employer and participant contributions in the period in which contributions are due and the Commission has made a formal commitment to provide the contributions. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The modified accrual basis of accounting is used by Governmental Funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter (generally 60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The Governmental Funds use the following practices in recording revenues and expenditures

Revenues - Federal and state entitlements are recorded when available and measurable. Federal and state grants as well as local match monies which are restricted as to the purpose of the expenditures are recorded when the reimbursable expenditures have been made. Local member assessments are recorded in the year the assessments are due and payable. Such amounts are measurable and available to finance current operations. Investment income and in kind revenues are recorded when earned. Substantially all other revenues are recorded when received.

Expenditures - All expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Deferred Revenues - Deferred revenues arise when resources are received before the Commission has a legal claim to them, such as when grant monies are received prior to the incurrence of qualifying expenditures. Grant funds receivable arise when resources are expended on qualified grant expenditures and have not been reimbursed by the funding agency. In subsequent periods, when the Commission has a legal claim to the resources or receives the reimbursement, the liability for deferred revenue or receivable asset is removed and the revenue is recognized.

D. Budget Practices and Budgetary Accounting

The Commission budget, prepared in accordance with generally accepted accounting principles, is proposed by the executive director on an organization-wide basis, and formally approved and adopted by the Board of Commissioners. The budget may be amended during the year at the Commissioners' discretion. These appropriations lapse at year-end and any unexpended appropriations are rebudgeted in the subsequent year. Accordingly, encumbrances are not provided for in the financial statements.

E. Cash, Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits or investments with original maturity dates of less than 90 days. It is the Commission's policy only to invest in insured or compensated governmental backed securities.

F. Accrued Compensated Absences

The Commission's full-time employees who work year-round are granted vacation in varying amounts up to a maximum of 21 days per year. The cumulative amount of leave which can be carried forward is the amount earned over the last two years of employment. The Commission's policy specifically prohibits the payment of any accumulated sick leave at separation and consequently no sick leave is accrued.

G. Indirect Cost Allocations

Allocable indirect costs are initially charged to the General Fund during the year. The Commission uses the prior year rate in estimating indirect costs to be charged the special revenue funds during the year for billing purposes. At the end of each year the actual indirect cost rate and charges to the special revenue funds are computed and appropriate adjustments are made. Allocable indirect costs exclude equipment purchases and payroll benefit costs, but provide for depreciation of capital assets computed over estimated useful lives of three to ten years. The indirect costs are then allocated to the special revenue funds based on direct salaries.

H. Capital Assets

Capital assets are recorded at historical or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized.

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures of contingent assets or liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Cash, Cash Equivalents, and Investments -

Cash and Cash Equivalents

At June 30, 2008, the carrying amount of the Commission's Cash and Cash Equivalents totaled \$87,242, and the confirmed bank balances totaled \$92,815. Cash and Cash Equivalents are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. The following is a summary of cash and cash equivalents at June 30, 2008.

	<u>Deposits in Bank Accounts</u>		
	<u>Cash</u>	<u>Other (Money Market Accounts)</u>	<u>Total</u>
Deposits in Bank Accounts per Balance Sheet	\$ 17,507	\$ 69,735	\$ 87,242
Bank Balances (Category 3 Only):			
a. Uninsured and Uncollateralized	\$ -	\$ -	\$ -
b. Uninsured and Collateralized with Securities Held by the Pledging Institution	-	-	-
c. Uninsured and Collateralized with Securities Held by the Pledging Institution's Trust Department or Agent, but not in the Entities Name	-	-	-
Total Category 3 Bank Balances	\$ -	\$ -	\$ -
Total Bank Balances (Regardless of Category)	\$ 23,080	\$ 69,735	\$ 92,815

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. As of June 30, 2008, none of the Commission's bank balance of \$92,815 was exposed to custodial credit risk.

Investments

Custodial Credit Risk - Investments. Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the Commission will not be able to recover the value of investment or collateral securities that are in the possession on an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty, or by the counterparty's trust department or agent but not in the name of the Commission. At June 30, 2008, all of the Commission's investments were secured from risk completely through either FDIC or SIPC insurance coverage.

Interest Rate Risk - Investments. Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Also, investments can be highly sensitive to changes in interest rates due to their terms or characteristics. One of the ways that the Commission manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Commission's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Commission's investments by maturity:

<u>Investment Type</u>	<u>12mths or less</u>	<u>13 to 24 mths</u>	<u>25 to 60 mths</u>	<u>Total</u>
Securities	\$ -	\$ -	\$ -	\$ -
Time Deposits	<u>38,945</u>	<u>73,110</u>	<u>317,925</u>	<u>429,980</u>
Total	<u>\$ 38,945</u>	<u>\$ 73,110</u>	<u>\$ 317,925</u>	<u>\$429,980</u>

Credit Risk - Investments. The credit risk of investments is the risk that the issuer or counterparty will not meet its obligations. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2008, the Commission held no investments in commercial paper or corporate bonds.

Concentration of Credit Risk - Investments. The concentration of credit risk is the risk of loss that may occur due to the amount of investment in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in mutual funds or external investment pools).

The investment policy of the Commission contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the State of Louisiana. Investments in any one issuer (other than U.S. Treasury securities and mutual funds) that represent 5% or more of total Commission investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
M & I Bank	Time Deposits	\$ 22,719
M & I Bank	Time Deposits	22,430
GMAC Bank	Time Deposits	23,952
State Bank of Indiana	Time Deposits	84,769
Lehman Brothers Bank	Time Deposits	41,996
American Chartered Bank	Time Deposits	58,243
GMAC Bank	Time Deposits	57,375
Washington Mutual Bank	Time Deposits	<u>88,636</u>
Total		<u>\$ 400,120</u>

Note 3 - Capital Assets -

A summary of changes in capital assets are as follows:

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2008</u>
Capital Assets:				
Furniture, Fixtures, Office Equipment	\$ 164,517	\$ 19,603	\$ (2,334)	\$ 181,786
Vehicles	32,110	-	-	32,110
Accumulated Depreciation	<u>(174,486)</u>	<u>(14,373)</u>	<u>2,334</u>	<u>(186,525)</u>
Capital Assets, net	<u>\$ 22,141</u>	<u>\$ 5,230</u>	<u>\$ -</u>	<u>\$ 27,371</u>

Depreciation expense amounted to \$14,373 for 2008.

Note 4 - Deferred Compensation Plan -

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The assets of the Plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. The plan, available to all full-time employees meeting specific length of service criteria, permits them to defer a portion of their salary, for federal income tax purposes, until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Commission funds the plan by making contributions to a plan administrator, on a monthly basis, at rates ranging from 7.5% to 12.5% of the employees' compensation. The contribution rate for employees is based on their employment longevity. The plan administrator offers a variety of investment alternatives directly to the participant. Commission employees have collectively selected a fund which consists of investments in insurance companies -

- rated A or above as to claims paying ability by Moody's rating service,
- similarly rated by other major rating services, or;
- approved by the plan administrator's internal credit analysis function where no rating service is available.

No more than 35% of the portfolio is invested with any single insurance company. The rates of return since the fund's inception in 1984 range from 6.80% to 11.75% per annum.

Note 5 - Federal Grants -

The Commission participates in a number of federally-assisted grant programs. Although the grant programs have been audited in accordance with the Single Audit Act through June 30, 2008, these programs are still subject to financial and compliance audits and resolution of previously identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Commission expects such amounts, if any to be immaterial.

Note 6 - Post Employment Benefits Other Than Pensions -

Plan Description - The Commission participates in a single employer healthcare plan administered by a private insurance company. The Plan provides lifetime healthcare and dental insurance for eligible retirees through the Commission's group healthcare insurance plan, which cover both active and retired members. Benefits provisions are established through negotiations between the Commission and the private insurance company.

Funding Policy - The Commission contributes 75% of the cost of current year premiums for eligible retired plan members. For fiscal year June 30, 2008, the Commission contributed \$4,900.

Annual OPEB Cost and Net OPEB Obligation - The Commission's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contributions of the employer (ARC). The Commission has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than 100 total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Commission's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Commission's net OPEB obligations.

Normal Cost	\$ 30,312
30 year UAL Amortization Amount	<u>30,657</u>
Annual Required Contributions	60,969
Interest on Net OPEB Obligation	6,646
Adjustment to Annual Required Contribution	<u>(3,904)</u>
Annual OPEB Cost	63,711
Current Year Retiree Premium Paid	<u>(4,900)</u>
Increase in Net OPEB Obligations	58,811
Net OPEB Obligation - Beginning of Year	<u>59,865</u>
Net OPEB Obligation - End of Year	<u><u>\$118,676</u></u>

The following table shows the Commission's annual post employment benefit (PEB) costs, percentage of cost contributed, and the net post employment benefits (PEB) liability (asset):

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net PEB Liability (Asset)</u>
June 30, 2007	\$ 64,322	6.9%	\$ 59,865
June 30, 2008	63,711	7.7%	118,676

Funded Status and Funding Progress. In the fiscal year ending June 30, 2008, the Commission made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2007, the first and most recent valuation, the Actuarial Accrued Liability (AL) was \$470,072, which is defined as that portion, as determined by the alternative measurement method, of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year

ended June 30, 2008, the entire actuarial accrued liability of \$470,072 was unfunded.

The following simplifying assumptions were made:

Retirement Age for Active Employees - Active plan members were assumed to retire at age 65.

Marital Status - Marital status of members at the calculation date was assumed single as benefits are not paid for dependents upon retirement.

Mortality - Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2003 United States Life tables for males and for females were used.

Turnover - Non-group-specific age based turnover data from GASB 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare Cost Trend Rate - The expected rate of increase in healthcare insurance premiums was based on projection of the office of the actuary at the Centers for Medical and Medicaid Services. A rate of 6.7 percent initially, increased to an ultimate rate of 7.2 percent after 5 years, was used.

Health Insurance Premiums - The fiscal year June 30, 2008 health insurance premiums for retirees were used as the basis for calculation at the present value of total benefits to be paid.

OTHER SUPPLEMENTARY INFORMATION

CAPITAL REGION PLANNING COMMISSION
SUPPLEMENTARY SCHEDULE OF INDIRECT COST ALLOCATION PLAN
FOR THE YEAR ENDED JUNE 30, 2008

	<u>General Fund Expenditures</u>	<u>Adjustments to arrive at Allocable Cost</u>	<u>Allocable Administrative Cost</u>
Expenses:			
Auto Insurance	\$ 3,121	\$ -	\$ 3,121
Consultant Fees	38,141	(38,141)	-
Dues and Subscriptions	2,566	-	2,566
Depreciation	-	14,373	14,373
Deferred Compensation	59,674	(59,674)	-
Equipment and Facilities Maintenance	4,647	-	4,647
Equipment Rental	839	-	839
General Insurance	1,799	-	1,799
Group Insurance	82,674	(82,674)	-
Legal and Accounting	19,995	-	19,995
Miscellaneous	7,157	(7,157)	-
OPEB Expense	4,900	(4,900)	-
Office Supplies	4,919	-	4,919
Payroll Taxes	5,509	-	5,509
Postage	2,039	-	2,039
Professional Education	2,511	-	2,511
Publishing	3,109	-	3,109
Rent - Inkind	53,000	-	53,000
Salaries	160,289	(131,429)	28,860
Telephone	7,837	-	7,837
Travel and Auto Allowance	12,870	-	12,870
Vehicle Expenses	3,006	-	3,006
Capital Outlay	16,940	(16,940)	-
Total Expenditures	<u>\$ 497,542</u>	<u>\$ (326,542)</u>	<u>\$ 171,000</u>

***Reconciliation of
Allocable General and Administrative
Costs to General Fund Expenditures:***

Allocable General and Administrative Costs	171,000
Add:	
Equipment Purchases	16,940
Deferred Compensation, Miscellaneous, and Consultant Fees	104,972
Group Insurance	82,674
OPEB Expense	4,900
Pay Add	131,429
Deduct:	
Depreciation	(14,373)
General Fund Expenditures per Audit Report	<u>\$ 497,542</u>

See auditor's report.

CAPITAL REGION PLANNING COMMISSION

SUPPLEMENTARY SCHEDULE OF INDIRECT COST ALLOCATION PLAN (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

Direct Salaries:

FTA LA-90-X289	\$ 49,782
FTA LA-90-X308	12,690
FTA LA-80-X015	16,552
FTA LA-80-X016	48,050
PL 736-17-0346	174,252
EDA 08-83-04142	24,136
Ridesharing 737-96-1600	16,892
Total Direct Salaries Federal Programs	<u>\$ 342,354</u>

Payroll Benefit Cost:

Pay Add	\$ 131,429
Insurance	87,574
Total Payroll Benefit Cost	<u>\$ 219,003</u>

Indirect Cost Allocation Computation:

Overhead Rate	0.499
Payroll Rate	0.640
Indirect Cost Rate	1.139

Overhead Rate Computation:

Adjusted Overhead Costs	\$ 171,000	
Total Direct Salaries	<u>\$ 342,354</u>	= <u>\$ 0.499</u>

Payroll Benefit Rate Computation:

Total Payroll Benefit Costs	\$ 219,003	
Total Direct Salaries	<u>\$ 342,354</u>	= <u>\$ 0.640</u>

Total Indirect Cost:

Direct Salaries (Federal Programs)	\$ 342,354
Indirect Cost Rate	<u>1.139</u>

Indirect Cost computed on Federal Programs \$ 389,941

Indirect Cost agreed upon for non-Federal special projects -

Total Indirect Cost \$ 389,941

See auditor's report.

CAPITAL REGION PLANNING COMMISSION

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2008

<u>Federal Grantor/Pass-Through Agency/Program Identification</u>	<u>CFDA Number</u>	<u>Federal Share of Program Expenditures</u>	<u>Total Program Expenditures</u>
U. S. DEPARTMENT OF TRANSPORTATION			
Passed through Louisiana Department of Transportation and Development:			
Technical Studies Grant:			
LA-90-X289	20.505	\$ 85,286	\$ 106,608
LA-90-X308	20.505	21,715	27,144
LA-80-X015	20.505	28,336	35,420
LA-80-X016	20.505	82,796	103,494
Highway Research, Planning and Construction:			
State Project No.			
LA-736-17-0346	20.205	333,224	416,530
LA-737-96-1600 Ridesharing	20.205	36,165	36,165
Total U. S. Department of Transportation		587,522	725,361
U. S. DEPARTMENT OF COMMERCE			
Economic Development Administration Area Planning Assistance Program			
Award No. 08-83-03912	11.302	2,663	2,663
Award No. 08-83-04142	11.302	41,188	54,918
Total U. S. Department of Commerce		43,851	57,581
Total Expenditures		\$ 631,373	\$ 782,942

See auditor's report.

CAPITAL REGION PLANNING COMMISSION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2008

Note 1 -General -

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Capital Region Planning Commission (the Commission), Baton Rouge, Louisiana. The Commission's reporting entity is defined in note 1 of the Commission's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included on the schedule.

Note 2 - Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting which is described in note 1 of the Commission's basic financial statements. Revenues are recognized to the extent of expenditures.

Note 3 - Relationship to Financial Statements

Federal awards expenditures are reported in the Commission's basic financial statements as components of the Transportation Planning, Transit Planning, Air Quality, and Economic Development columns in the Statement of Revenues, Expenditures and Changes in Fund Balances on page 11 and 12.

Note 4 - Relationships to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts in the related federal financial reports.

Note 5 - Major Federal Awards

The dollar threshold of \$300,000 was used to distinguish between Type A and Type B federal programs. For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS



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November 24, 2008

The Commissioners of the
Capital Region Planning Commission
Baton Rouge, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Capital Region Planning Commission (the Commission), Baton Rouge, Louisiana, a component unit of the City of Baton Rouge/Parish of East Baton Rouge, as of and for the year ended June 30, 2008, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated November 24, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Commission's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Commission's financial statements that is more than inconsequential will not be prevented or detected by the Commission's internal control. We consider the deficiency described in the accompanying summary schedule of prior audit finding as item 2006-2 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Commission's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and is described in the accompanying summary schedule of prior audit findings as item 2007-1.

The Commission's responses to the findings identified in our audit are described in the accompanying summary schedule of prior audit findings. We did not audit the Commission's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Commission, the Commission's management and the Federal awarding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office, and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statute 24:513, this report is distributed by the legislative auditor as a public document and its distribution is not limited.

Respectfully submitted,

Hammis T. Bourgeois, LLP

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**



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November 24, 2008

The Commissioners of the
Capital Region Planning Commission
Baton Rouge, Louisiana

Compliance

We have audited the compliance of the Capital Region Planning Commission (the Commission), Baton Rouge, Louisiana, a component unit of the City of Baton Rouge/Parish of East Baton Rouge, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Commission's compliance with those requirements.

In our opinion, the Commission, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. The results of our auditing procedures disclosed no instances of non-compliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A control deficiency in a Commission's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Commission's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Commission's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Commission's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Commission, the Commission's management, and the federal awarding agencies and pass-through entities, such as the State of Louisiana and the Legislative Auditor's office, and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statute 24:513, this report is distributed by the legislative auditor as a public document and its distribution is not limited.

Respectfully submitted,

Hammis T. Bourgeois, LLP

CAPITAL REGION PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

(1) Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified.

- Material weakness(es) identified? _____ Yes x no
- Significant deficiency(s) identified that are not considered to be material weaknesses? x Yes _____ none reported

Noncompliance material to financial statements noted? _____ Yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes x no
- Significant deficiency (s) identified that are not considered to be material weaknesses? _____ Yes x none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133? _____ Yes x no

Identification of major program:

CFDA Number
20.205

Name of Federal Program
Highway Planning and Construction

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$300,000.
- The System did qualify as a low-risk auditee.

(2) Findings Relating to the Financial Statements Reported in accordance with *Government Auditing Standards*:

In the current year, we noted findings relating to the financial statements reported in accordance with Government Auditing Standards which are described in the accompanying Summary Schedule of Prior Audit Findings as items 2007-1 and 2006-2.

(3) Findings and Questioned Costs Relating to Federal Awards:

None.

CAPITAL REGION PLANNING COMMISSION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2008

2007-1 Fixed Assets

Finding:

During the prior year, it was noted that numerous fully depreciated capital assets were removed from the Commission's fixed asset listing. Upon performing a physical inventory, it was determined that these assets were no longer held by the Commission. Per LA R.S.24:513(A), the Commission must maintain records of all land, buildings, improvements other than buildings and equipment which were purchased or otherwise acquired, and for which the Commission is accountable. The records shall include information as to the date of purchase, the initial cost, the disposition, if any, the purpose of such disposition, and the recipient of the property or equipment disposed of.

Recommendation:

We recommended that the Commission implement a policy to monitor fixed assets to ensure that all disposed assets are removed from the fixed asset listing. We also recommended that the Commission continue to perform periodic physical counts of property, especially removable equipment items and reconcile to the detailed fixed asset subsidiary ledger.

During the current year, the Commission made an effort to implement the above policies. However, as a result of employee turnover, these efforts were not completely successful. The Commission did perform periodic physical counts of property and monitor fixed assets to determine what assets had been disposed of. However, the detailed fixed asset subsidiary ledger was not reconciled during the year. We continue to recommend the Commission reconcile the subsidiary ledger on an ongoing basis.

Management Response:

Management concurs with this finding and will implement the necessary procedures to ensure the proper handling of fixed assets.

2006-2 -Reconciliations

Finding:

It was noted in prior years that various balance sheet accounts were not reconciled as of June 30, 2007 and 2006. In addition, there were several mispostings to these accounts noted during our prior year testing. However, the appropriate adjusting journal entries were proposed and recorded to reflect the correct general ledger balances as of June 30, 2007 and 2006.

Although progress was made in the current year to reconcile the balance sheet accounts, we noted several general ledger accounts that contained mispostings, and therefore, were not reconciled as of

June 30, 2008. However, the appropriate adjusting journal entries were proposed and recorded to reflect the current general ledger balances as of June 30, 2008.

Recommendation:

We continue to recommend that all balance sheet accounts be reconciled on a regular basis.

Management's Response:

Management concurs with this finding and will implement the necessary procedures to reconcile balance sheet accounts on a regular basis.